

6.2 Example of Salary Computation.

The following is an example for you to use when calculating an employee's salary.

1. Monthly salary amounts will be shown on the P-1 to the penny.
2. Here is an example of how our software will make salary computations and how you must compute the new salary on a salary change P-1:

Old monthly salary: 1,279.41
5% increase: 1,279.41 X 1.05=1343.3805.

- Always round up if either the third or fourth digit is greater than zero. In this case, the result would be \$1,343.39.
- Round up one additional penny if you have an odd cent. (We must be able to compute a semi-monthly salary accurately to the penny without having a fractional penny left over. Otherwise, there would be hundreds of supplemental payrolls to do at the end of the year to handle the fractional cents.)

The new monthly salary would be \$1,343.40.

This salary computation process will apply for all P-1s processed after the June 25, 1987 P-1 listing, regardless of effective date.

Hourly salary amounts are already shown to three decimal places.